

THE CORPORATION OF THE TOWNSHIP OF HORTON

Finance Committee Meeting

November 8, 2012

There was a Meeting of the Finance Committee held in the Municipal Council Chamber on Thursday November 8, 2012. Present was Mayor Don Eady and Co-Chair Jamey Larone. Staff present was Jennifer Barr, Finance Manager and Mackie McLaren, CAO/Clerk.

1. CALL TO ORDER

Mayor Eady called the Meeting to Order at 8:55 a.m.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest by Members of the Committee or Staff.

3. MINUTES OF OCTOBER 4, 2012 COMMITTEE MEETING

Ms. Barr made two corrections to the minutes that were noted during the Nov 6 Council Meeting.

Mayor Eady noted that Mayor Campbell of McNab-Braeside did approach him about using shared services. He asked if Kathleen Rogers, Recreation Program Manager had made a contact with McNab-Braeside.

Councillor Larone asked if the issue of potential conflict of interest with Jp2g carrying out our Lot Development Charge Study has been resolved. Jp2g acts for a developer in the Township. Ms. Barr said she spoke with Brian Whitehead who advised that they carry out the study for a number of municipalities where they represent developers. He asks the developers if they believe there is a conflict and in Horton's case, Peter Prince and Tom Orr both have no issue. If Council has an issue, he can sub out the study to Sid Moorhouse. The Committee asked for this to be put in writing by Mr. Whitehead.

4. UPDATE ON 10 YEAR CAPITAL FORECAST AND LOT DEVELOPMENT

Ms. Barr informed the Committee Members that staff has started working on the 10 year capital forecast. She added that Council has already approved the Committee's recommendation to proceed with Jp2g for the Lot Development Study.

Mayor Eady asked who is working with the Finance Manager on the 10 year capital forecasts. Ms. Barr said the Committee Chairs and Managers. She noted that Recreation is almost complete, Public Works has been started, Fire has been started and General is completed.

Councillor Larone referred to a recent edition of the Waste Edge publication which had an article on re assessments of landfills by MPAC. Assessed values are rising from 2% to 100% of current amounts. He suggested we look at this as tipping fees will be increased by private operators, and we had hoped to ship several loads of regrind material to a private site in Moose Creek Ontario. Mayor Eady suggested that MPAC representatives be invited to Council to discuss this impact and the new reassessment in general.

5. DEBENTURES – JANUARY 20, 2013 FINAL DATE TO MAKE DECISION

Ms. Barr informed the Committee that she spoke to Bob Keene, OSIFA and he confirmed that he misinformed Council when he said that the construction loan could continue for 5 years from completion when it is 5 years from the time stated on the application for financing. He has now invoked a 160 day period for the loans to be debentured. She reviewed a worksheet listing debenture options which she had on projected on the screen based on 9 year repayment as 1 year has been completed on our 10 year repayment plan. Interest rates are 2.59%.

The Committee Members asked what our current debt limits were. Ms. Barr said she expected them shortly and will provide further analysis.

Mayor Eady reviewed the Health Village cash flow and a joint line of credit held by the Town of Renfrew that may be required. Ms. Barr suggested that the auditors be advised of this and that this be included in an inter-municipal agreement that would be disclosed on the financial statements. Mayor Eady added that based on future monies expected, there is little risk.

Ms. Barr suggested that we finance the recreation change room loan in house. She also presented options where some debentures were 5, 10 and 15 year terms.

Mayor Eady noted that the debt will need to be well documented for future Council Members including “self-financed” debt. The Members agreed. He also informed the Committee that the County borrows money at approximately 2%. Ms. Barr said that the County has a banking arrangement with two School Boards and the City of Pembroke to get the volume advantages.

Mayor Eady noted that the rink roof debt is not on the list. Ms. Barr said yes, as we are doing it in house. The report she presented is only what is to be debentured.

Moved by Jamey Larone, Seconded by Don Eady that Finance Committee recommend to Council that they debenture the construction loans:

General Government	\$145,141
Roads	250,065

Further, that Council finance the General Government Debt of \$21,017.04 for office addition and the Recreation change room debt in the amount of \$110,849.84 in house in addition to the rink roof debt of \$91,227.74 less the 2012 Community Centre fundraising efforts.

Carried

Ms. Barr explained how the 10 capital forecast integrates with the debenture payments which will become a living document.

The Committee Members discussed ways of keeping Council updated on the finance plans. They agreed that special Committee of the Whole meetings for various aspects of the management plans are required once the Finance Committee has reviewed the first draft of the 2013 proposed budget.

6. USER FEES AND CHARGES

Ms. Barr presented a power point presentation with changes to the fees and charges suggested by Managers.

The Committee Members reviewed and made further changes. As the Finance Committee Members were the same as the Waste Management Committee, they reviewed the fees and charges for the landfill site tipping fees making a number of changes. Ms. Barr noted that Recreation Committee would need to review proposed changes as well.

7. PROCUREMENT BY-LAW

The Committee Members agreed that a special Committee of the Whole Meeting be arranged in the early New Year to review this draft by-law. Ms. Barr to circulate the draft by-law.

8. LIFE INSURANCE COVERAGE FOR EMPLOYEES

Ms. Barr stated that staff receives \$25,000 term life insurance as part of the County Benefit plan while the Council Members receive \$100,000 term insurance. She presented costs to increase the coverage as follows:

- Increase to \$50K – budget increase of \$880 annually
- Increase to \$75K – budget increase of \$1,760 annually
- Increase to \$100K – budget increase of \$2,640 annually.

Mayor Eady asked if the Council coverage could be reduced to \$25,000. Ms. Barr said yes.

Councillor Larone suggested that as a negotiation incentive to employees we could propose to increase the coverage to \$50,000.

After further discussion, the following recommendation was made:

Moved by Jamey Larone, Seconded by Don Eady that Finance Committee recommend to Council that they consider increasing the life insurance benefit for permanent staff from \$25,000 to \$50,000 at the next renewal date (July 1, 2013) at a total estimated cost increase of \$440.00 to the 2013 budget.

Carried

9. 2013 BUDGET UPDATE

Ms. Barr reviewed the status of the draft 2013 budget. She is waiting on 2 Departments to submit before she could provide an overall draft. The Committee reviewed and prepared the draft Waste Management Committee budget.

10. 2013 INSURANCE QUOTES

The CAO/Clerk reported that he has asked two companies for quotes. Jardine and Cowan. Jardine has had the business for a number of years. He has not yet heard from Cowan's local agent.

11. RENFREW COUNTY REGIONAL SCIENCE AND TECHNOLOGY FAIR – 2013 DONATION REQUEST

The Committee reviewed the request for funds. Ms. Barr noted that we last supported the Fair in 2006. There was no motion to support.

12. 2013 RENFREW PUBLIC LIBRARY

The Committee reviewed a letter from Library Board Chair Lynda Janney. The 2013 user fee is \$45.00 per adult user. Students and children are free. Mayor Eady asked if we could enter into a library contract for children as they are free user fee. Would that generate the \$5,050

Provincial Grant? The CAO/Clerk is to check this out. Alternatively the Committee could consider covering a portion of the adult user fee.

13. NEXT MEETING

The Committee agreed the next Committee Meeting would be Thursday November 29, 2012 at 3:30 p.m. This meeting to have budget topics only.

14. ADJOURNMENT

Moved by Jamey Larone, Seconded by Don Eady that this Committee Meeting be adjourned at 12:36 p.m.

Carried

CHAIR

CAO/CLERK